

MAINE STATE LEGISLATURE

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STATE OF MAINE

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Inter-Departmental Memorandum Date February 8, 1952

Raymond C. Mudge, Commissioner Dept. Finance
From Neal A. Donahue, Assistant Dept. Attorney General
Subject Maine State Retirement System - Maine Maritime Academy

Your inquiry of this office under date of February 7, 1952, concerns whether the Maine Maritime Academy may be charged its pro rata share of normal and accrued liability contributions, annual valuation and administrative costs.

Reference is made to the opinion of the then Attorney General, Ralph W. Farris, on June 27, 1949, that the Academy is a "State Agency." That opinion also stated that the Academy is eligible to participate as a State agency in the State Retirement System.

With the Academy so participating, by paragraph VII of section 16 of Chapter 384 of the Public Laws of 1947, or by non-action as provided by section 17 of R. S. Chapter 60, amended by section III of Chapter 349 of the Public Laws of 1949, for purposes of the Retirement System the institution has become a participating local district and, as such, is classed with counties, cities and towns, water districts or any other quasi-municipal corporation of the State.

Chapter 384, Laws of 1947, section 16, subsection V, page 523, provides:

"Employees who become members under the provisions of this section and on behalf of whom contributions are paid as provided in this section shall be entitled to benefits under the retirement system for which such contributions are made as though they were state employees."

Subsection VII, same page provides:

"Any educational institution in this state teaching courses equivalent to or higher than secondary institutions may become a participating local district to the full extent of any and all benefits provided for in this chapter; provided the appropriate governing body of such educational institution approves such participation and files with the board of trustees a duly certified copy of the resolution approving such participation and the extent of the benefits which shall apply."

Section 17 provides for classification as participating local district unless a resolution to the contrary be made and certified.

Chapter 87, P&SL 1945, provided that this Academy should have power to confer the Bachelor of Science Degree.

It follows that the Maine Maritime Academy, under the Retirement System, is a participating local district and may be charged by the State a pro rata share of normal and accrued liability contributions, annual valuation, and administrative costs.

However, subsection VII of section 14 of Chapter 384 of the Public Laws of 1947 provides for proper allocation of costs among the general fund of the State, the general highway fund, and such other funds as it may be found practicable by the State Budget Officer to charged with their proportionate share of the costs.

The Academy having been declared by Chapter 24 of the Private and Special Laws of 1947, to be a public agency of the State of Maine, it would seem that it is optional with the State Budget Officer whether or not such charge shall be assessed against the institution.

Neal A. Donahue
Assistant Attorney General

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